

In-Class Case #2
Distress Investing
Goodrich Petroleum: The Prepack Chapter 11 Filing

- ▶ 1. Read the Disclosure Statement and tabulate the Company's pre-petition Capitalization structure. Include the name of the instruments, principal outstanding (for credit instruments), number of shares for Preferred series and common stock.
- ▶ 2. What is the likely reason why the Exchange offer failed? Find out what the minimum acceptance thresholds were from the Exchange offer documents for both the Notes and Preferred Series.
- ▶ 3. Under the proposed plan, construct a table with a description of classes 1 to 6 and the amount of their claims or interests, whether they are impaired or not and whether they are entitled to vote on the plan or not.
- ▶ 4. What class/classes are entitled to vote on the plan?
- ▶ 5. What would be the capitalization of Goodrich Petroleum, post confirmation? Compare to the capitalization you found in Case #1 and describe what was achieved with the Prepack?
- ▶ 6. What is the value of the claim of the different classes according to the liquidation analysis? What is the liquidation value of the assets of Goodrich Petroleum according to Lazard Freres?
- 7. What is the recovery amount of the Second Lien claims under a liquidation scenario? What percentage of claim does this represent?
- 8. What is the recovery amount for the equity interests under a liquidation scenario?
- 9. Use the "Summary of Estimated Claims Recovery Table" from page 210 of the PDF (this is part of the Plan) and together with the "reorganization valuation scenarios" provided by Lazard, construct a Table with the recovery % for each of the classes.
- ▶ 10. What is the value of proved developed non producing reserves, proved developed and proved undeveloped reserves according to Lazard?
- ▶ 11. Who is getting control of the company?